

Subcommittee on Communications, Technology and the Internet Hearing

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An Examination of the Proposed Combination of Comcast and NBC Universal

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February 4, 2010

Today the Subcommittee convenes to consider the proposed combination of two of our nation's largest media and entertainment companies – Comcast and NBC Universal. I'll note at the outset that I will urge the Federal Communications Commission and the Department of Justice to move expeditiously when considering this matter. I am not saying that the agencies should not impose conditions on the transaction, but the companies deserve an answer in a timely manner.

The key to evaluating any merger or joint venture is to ask how it will affect consumers. Some combinations may benefit consumers by enabling the deployment of new and better products and services. Others may harm consumers by limiting the choices available to them.

Sometimes those harms can be limited or eliminated through the imposition of conditions; and other times they cannot. So we will inquire this morning about whether synergies will arise from the merger that will confer benefits on consumers; whether there is the potential for consumer harm through lessened access to programming now available from NBC-Universal; and if there is the potential for consumer harm whether the merger should be conditioned so as to guard against it.

Comcast is the nation's largest multichannel video programming distributor, largest residential broadband provider, and third-largest home telephone service provider, as well as the owner of several cable channels and regional sports networks.

As measured by annual revenue, NBC Universal is the nation's fourth-largest media and entertainment company. It owns the NBC and Telemundo television networks, television broadcast stations in some of the largest markets in the United States, cable channels and a movie studio, as well as an interest in online video programming provider Hulu.com.

As these facts reveal, the merger if approved will substantially transform the media and entertainment marketplace, and it requires our careful scrutiny.

That scrutiny boils down to three basic questions:

First, assuming the combination is approved, what benefits will consumers see a year after the merger that they do not get today?

Second, what, if anything, are consumers receiving today that will they not be getting a year after the merger?

Finally, are there conditions that regulators should consider imposing on approval of the merger to ensure it serves consumers, and if so, what are they?

I want to thank our distinguished panel of witnesses for being here today and look forward to hearing their views. I also want to remind Members that several of our witnesses are due to testify in the Senate this afternoon. I will therefore ask that Members please adhere to our time limits for opening statements and during the question period.

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